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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
Implementation of the)
Pay Telephone Reclassification and)
Compensation Provisions of the)
Telecommunications Act of 1996.)

CC Docket No. 96-128

REPORT OF THE NEBRASKA PUBLIC SERVICE COMMISSION

The Nebraska Public Service Commission (NPSC) hereby files its report in the above-captioned request for a review of the public interest payphones (PIPs), as required by FCC Order 96-388 in CC Docket No. 96-128, issued September 20, 1996.

BACKGROUND

Section 276 of the Telecommunications Act of 1996 required the FCC to "determine whether public interest payphones, which are provided in the interest of public health, safety, and welfare, in locations where there would otherwise not be a payphone, should be maintained, and if so, ensure that such public interest payphones are supported fairly and equitably."

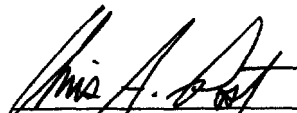
In the Report and Order FCC 96-388, the Commission defined PIPs in paragraph 282 as, "a payphone which (1) fulfills a public policy objective in health, safety, or public welfare, (2) is not provided for a location provider with an existing contract for the provision of a payphone, and (3) would not otherwise exist as a result of the operation of the competitive marketplace." The FCC directed each state to review its rules and policies to determine whether it needs to take any measures to ensure that payphones serving important public interests will continue to exist in light of the elimination of subsidies and other competitive provisions established pursuant to Section 276 of the 1996 Act and file a report with the Commission by September 20, 1998.

The NPSC opened Docket No. C-1882/PI-24 to inquire as to the State of Nebraska's competitive payphone market. The resulting Public Interest Payphone Policy issued pursuant to this inquiry is attached.

CONCLUSION

After reviewing the record of this matter, the NPSC does believe that there is sufficient evidence that Nebraska needs to develop a Public Interest Payphone Program.

Respectfully submitted,


Chris A. Post,
Legal Counsel

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SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

The Commission, on its own)	APPLICATION NO. C-1882/PI-24
motion, to determine appro-)	
priate policy for providing)	PUBLIC INTEREST PAYPHONE POLICY
public interest payphones in)	
Nebraska)	ENTERED: September 21, 1998

BY THE COMMISSION:

At its August 11, 1998, regularly scheduled meeting, the Nebraska Public Service Commission (Commission) voted to open a docket concerning the Federal Communications Commission's (FCC) September 20, 1996, Report and Order in CC Docket No.'s 96-128 and 91-35. The Report and Order required state commissions to establish a policy on public interest pay telephones within two years of its release. In the Report and Order, the FCC established "guidelines by which the states may ensure the maintenance of payphones serving the public interests in health, safety and welfare, in locations where they would not otherwise be available as a result of the operation of the market." Report and Order paragraph 264. The FCC directed that each state review whether it has adequately provided for public interest payphones. Specifically, each state must evaluate "whether it needs to take any measures to ensure that payphones serving important public interests will continue to exist in light of the elimination of subsidies and other competitive provisions established pursuant to Section 276 of the 1996 (Telecommunications) Act, and that any existing programs are administered and funded consistent with the requirements described above." Report and Order paragraph 285.

Written comments were requested and received by the Commission as to the need for the Commission to take measures to ensure that payphones serving important public interests would continue in light of the elimination of subsidies and other competitive provisions established pursuant to Section 276 of the 1996 Act.

O P I N I O N A N D F I N D I N G S

After reviewing the comments filed herein, we adopt the following policy regarding public interest pay telephones.

According to the FCC, a public interest pay telephone is defined as, "a payphone which (1) fulfills a public policy objective in health, safety, or public welfare, (2) is not provided for a location provider with an existing contract for the provision of a payphone, and (3) would not otherwise exist as a re-

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sult of the operation of the competitive marketplace." Report and Order paragraph 282.

Payphones unquestionably serve critical public interests in health, safety and welfare in the state of Nebraska. Considering the rural nature of this state, its geographics and demographics, payphones can and do serve an important role in providing the public with basic communications service, an avenue to obtain information, and access to critical emergency services.

The Commission acknowledges that some payphones providing these benefits may not be economically self-supporting, and as a result, the market may fail to provide adequately for payphones in locations serving these important public needs. Therefore, it is important for the State of Nebraska to develop a competitive balance in the payphone market that fairly and equitably compensates those entities providing public interest payphones.

This Commission further recognizes that there may be a variety of funding mechanisms available to support the provisioning of public interest payphones, including but not limited to funding, based upon surcharges for all payphone service providers, or through a universal service mechanism funded by all rate payers.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that there is a need to ensure the maintenance of payphones that serve the public policy interests of health, safety and welfare in locations where there would not otherwise be payphones as a result of the operation of the market.

IT IS FURTHER ORDERED that the Commission is particularly concerned about the role served by payphones in providing access to emergency services, especially in isolated locations and areas with low levels of residential phone penetration and, therefore, finds that the continued provision of public interest payphones is necessary in Nebraska as a readily available means of accessing these critical communications services.

IT IS FURTHER ORDERED that the Commission will further investigate appropriate funding mechanisms for the provisioning of public interest payphones that fairly and equitably distributes

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the costs of such a program and that does not involve the use of subsidies prohibited by the 1996 Telecommunications Act.

IT IS FURTHER ORDERED that Commission Rule 002.06 that states, "[i]n each municipality served by an exchange carrier where public convenience requires it, the exchange carrier shall supply at least one public pay station that will be available to the public on a 24-hour basis" shall remain in full force and effect.

MADE AND ENTERED at Lincoln, Nebraska, this 21st day of September, 1998.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

//s//Lowell C. Johnson
//s//Frank E. Landis
//s//Daniel G. Urwiller